



Fiscal Year 2026
Integrated Financial Plan
United States Postal Service

EXECUTIVE SUMMARY

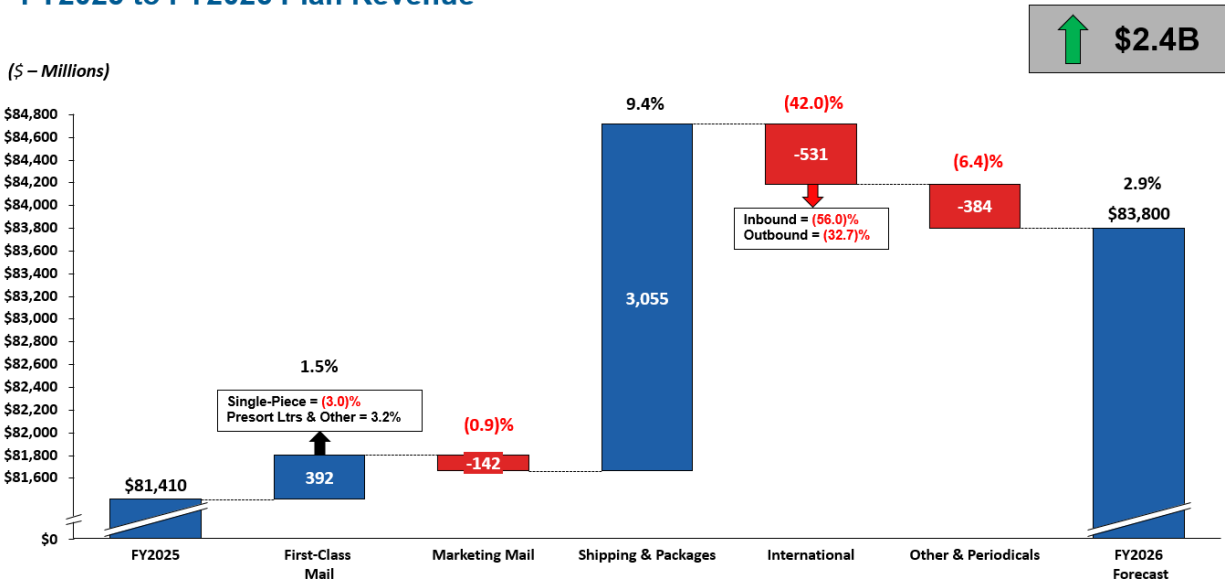
We currently plan for a net loss of \$8.1 billion and a controllable loss of \$1.8 billion in 2026. The table below shows our results for FY 2025 and our plan for FY 2026.

(Billions)	FY 2025	IFP 2026
Total Revenue	\$ 81.4	\$ 83.8
Controllable Expenses	84.1	85.6
Controllable Income (Loss)	(2.7)	(1.8)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	(1.0)	-
FERS Unfunded Liability Amortization	(2.2)	(2.3)
CSRS Unfunded Liability Amortization	(3.1)	(3.3)
Retiree HB Top-Up Payment	-	(0.7)
Net Income (Loss)	\$ (9.0)	\$ (8.1)

2026 OPERATING PLAN – VOLUME AND REVENUE

Volume, revenue, and expense projections take account of many factors, including multi-year trends in product sales, the impact of increased competition, planned price changes, projected rates of inflation, the expected rate of migration of hard-copy mail to digital media, and the expected state of the economy. The 2026 IFP projects total mail and package volume of 101.5 billion pieces, a decline of 7.2 billion pieces (6.6%) from 2025, primarily due to projected declines in First-Class Mail and USPS Marketing Mail volume. Revenue is projected to be \$83.8 billion, an increase of \$2.4 billion from 2025.

FY2025 to FY2026 Plan Revenue



2026 OPERATING PLAN – CONTROLLABLE EXPENSES

The 2026 IFP projects total work hours of 1,123 million, a reduction of 12 million compared to 2025, driven by initiatives to improve efficiency and by work hour management efforts in response to lower volumes. Salaries and benefits expenses are projected to increase despite a reduction in work hours due to contractual wage increases. Transportation expenses are planned to remain the same, due to ongoing transportation modality changes supporting service and reducing costs, decreases due to insourcing of contracted employees, and market fluctuations for resources such as fuel and drivers which impact costs. Depreciation expenses are expected to increase as a result of our increased investments in capital as we modernize our processing, delivery, and transportation networks. The increase in the Supplies and Services and Rent, Utilities, and Other is driven by anticipated increases in general market costs and a shift in information technology costs from internal support for capitalized equipment to expensed costs for cloud-hosted platforms.

FY		Prelim	IFP	Variance
2024	(Billions)	2025	2026	%
\$ 55.7	Salaries & Benefits	\$ 57.5	\$ 57.9	0.7%
4.9	FERS Normal Cost	5.1	5.1	0.0%
8.8	Transportation	8.4	8.4	0.0%
2.0	Depreciation	2.2	2.5	13.6%
3.4	Supplies & Services	3.4	3.6	5.9%
7.5	Rent, Utilities & Other	7.5	8.1	8.0%
\$ 82.3	Controllable Expenses	\$ 84.1	\$ 85.6	1.8%
1,147	Work Hours (Millions)	1,135	1,123	-1.1%

2026 CAPITAL PLAN

Capital Investments – Commitments and Cash Outlays

The 2026 capital plan calls for capital commitments of \$4.7 billion and cash outlays of \$4.6 billion to maintain, modernize, and improve our mail processing, transport, and delivery system.

Capital Commitments (signed contracts)							
(\$ Billions)	5-Yr Avg.	FY2024	FY2025	FY2025	FY2026 IFP	FY2026 IFP	FY2026 IFP
	(2020 - 2024) Actual	Actual	Plan	Actual	Requested Continuing Programs	Requested New Programs	Requested Total
Facilities	\$1.0	\$1.9	\$2.4	\$2.1	\$2.1	\$1.3	\$3.4
IT, Support Equipment & Other	0.2	0.3	0.3	0.2	0.3	0.1	0.4
Processing Equipment	0.8	0.9	0.7	0.9	0.2	0.4	0.7
Vehicles	1.3	0.1	1.8	0.3	0.2	0.1	0.2
Total	\$3.2	\$3.0	\$5.1	\$3.5	\$2.8	\$1.9	\$4.7

Capital Cash Outlays					
(\$ Billions)	5-Yr Avg. (2020-2024)	FY2024 Actual	FY2025 Plan	FY2025 Actual	FY2026 Base IFP
Facilities	\$0.9	\$1.5	\$0.9	\$2.3	\$2.9
IT, Support Equipment & Other	0.2	0.2	0.3	0.2	0.1
Processing Equipment	0.7	1.1	1.0	.5	0.3
Vehicles	<u>0.6</u>	<u>1.3</u>	<u>0.6</u>	<u>1.0</u>	<u>1.3</u>
Total	\$2.5	\$4.2	\$2.9	\$4.0	\$4.6

2026 DEBT LIQUIDITY AND FINANCING PLAN

Our year-end cash and short-term investments, including restricted and non-current cash and short-term investments, was \$14.0 billion as of September 30, 2025. We estimate our year-end 2026 total cash and short-term investments will be \$3.4 billion, assuming we make the estimated year-end lump sum payments of approximately \$6.3 billion for CSRS, FERS, and RHB Top-Up.